

Approved: CH

JIM LIGTENBERG
Assistant United States Attorney

Before: THE HONORABLE LISA MARGARET SMITH
United States Magistrate Judge
Southern District of New York

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UNITED STATES OF AMERICA	:	<u>SEALED COMPLAINT</u>
- v. -	:	Violations of 18 U.S.C.
	:	§§ 894, 1084 and 2
JONATHAN DIOLOSA,	:	COUNTY OF OFFENSE:
	:	ROCKLAND
Defendant.	:	
	X	20 MJ 7887

SOUTHERN DISTRICT OF NEW YORK, ss.:

KAREN ALTIERI, being duly sworn, deposes and says that she is a Special Agent with the Federal Bureau of Investigation ("FBI"), and charges as follows:

COUNT ONE

(Transmission of Wagering Information)

1. In or about January 2019, in the Southern District of New York and elsewhere, JONATHAN DIOLOSA, the defendant, being engaged in the business of betting and wagering, did knowingly use a wire communication facility, for the transmission in interstate or foreign commerce, between New York and Costa Rica, of bets and wagers, information assisting in the placing of bets and wagers, and wire communications which entitle the recipient to receive money and credit as a result of bets and wagers and for information assisting in the placing of bets and wagers, on sporting events and contests.

(Title 18, United States Code, Section 1084 and 2.)

COUNT TWO

(Extortionate Debt Collection)

2. From at least in or about January 2019 up to and including in or about May 2019, in the Southern District of New York and elsewhere, JONATHAN DIOLOSA, the defendant, unlawfully, willfully, and knowingly did use extortionate means to collect and attempt to collect an extension of credit from a debtor, and to punish such person for the non-repayment of said extension of credit, as those terms are defined in Title 18, United States Code, Section 891.

(Title 18, United States Code, Section 894 and 2.)

The bases for my knowledge and the foregoing charges are, in part, as follows:

3. I am a Special Agent with the FBI, and I have been personally involved in the investigation of this matter. My duties and responsibilities include the investigation of gambling and extortion, among other crimes. I base this affidavit on that personal experience, as well as on my conversations with other law enforcement agents, and my examination of various reports and records. Because this affidavit is being submitted for the limited purpose of demonstrating probable cause, it does not include all the facts that I have learned during the course of my investigation. Where the contents of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

4. Since at least 2018, law enforcement agents in Rockland County have been investigating JONATHAN DIOLOSA, the defendant, and others for running illegal gambling operations, charging usurious interest rates on gambling debts, and collecting and attempting to collect illegal gambling debts. Based on my conversations with other law enforcement agents, I know that, in or about December 2018, a confidential informant (the "CI")¹ reported to law enforcement agents that the CI had

¹The CI has a prior arrest and conviction for driving while intoxicated. The information provided by the CI has been corroborated and proven reliable. The CI is not being paid by law enforcement for the CI's assistance. As discussed below, however, in furtherance of its investigation, law enforcement

incurred a gambling debt owed to DIOLOSA. The CI stated the following:

a. DIOLOSA is a bookie in Rockland County who accepts bets on sporting events. He runs his operation through an offshore website, EZplay2001.com, that posts gambling lines and maintains a ledger of money owed between DIOLOSA and his bettors.

b. The CI had placed bets with DIOLOSA on sporting events using the website. DIOLOSA provided the CI with a username and password that allowed the CI to place bets on EZplay2001.com. The CI did not need to put up money in advance in order to place a bet. Rather, the CI could place a bet and, if the bet lost, the CI would owe the money to DIOLOSA. In 2018, the CI incurred a debt of more than \$5,000 to DIOLOSA. DIOLOSA was charging the CI interest on the debt that accrued weekly and at a rate exceeding 100 percent per year. By December 2018, after the CI had made payments on the debt to DIOLOSA, the outstanding debt was just over \$1,000.

c. DIOLOSA used a telephone number ending in 5362 (the "5362 Number") to communicate with the CI regarding the gambling debt.

d. DIOLOSA instructed the CI to pay him either in cash or through Venmo, a mobile payment platform, using the Venmo account "@Jonathan-Diolosa."

5. Based on my review of records from the Internet Corporation for Assigned Names and Numbers, I know that the website EZplay2001.com is registered to a mailing address in Costa Rica. Based on my training and experience in gambling investigations, I know that offshore sports gambling businesses are often operated from Costa Rica.

6. Based on my training and experience in gambling investigations, I know that offshore sports gambling operations like EZplay2001.com typically work through agents. Using a telephone or the internet, an agent from the United States can communicate with the overseas gambling operation and specify the terms and betting limits applicable to each of the agent's customers. Once the agent specifies those terms for an

provided the CI with \$300 that went toward paying off the CI's debt.

individual customer, the gambling operation typically sends a unique username and password that allows the customer to place bets with the agent through the website.

7. Based on my review of Venmo records and my conversations with other law enforcement agents, I know that the Venmo account "@Jonathan-Diolosa" is linked to the 5362 Number and that the account has received numerous payments in which the message attached to the payment referred to a sports team or professional athlete. And based on my review of records from Verizon Wireless and my conversations with other law enforcement agents, I know that the 5362 Number is subscribed to "Jonathan Diolosa." Based on the above, I believe that JONATHAN DIOLOSA, the defendant, uses the 5362 Number.

8. Based on my review of text messages sent from the 5362 Number to the CI's cellular phone and my conversations with other law enforcement agents, I know that, in or about December 2018, the CI received text messages from the 5362 Number requesting that a debt be repaid.

9. Based on my conversations with other law enforcement agents, I know that, in or about December 2018, law enforcement agents instructed the CI to reach out to JONATHAN DIOLOSA, the defendant, on the 5362 Phone and arrange to meet to pay off \$300 of the debt. The agents provided the CI with \$300 and observed the CI and DIOLOSA meet in New City, New York to complete the payment. Following the meeting, DIOLOSA, using the 5362 Phone, texted the CI, "1500-300=1200 new total." Based on my training and experience and participation in this investigation, I believe that this text indicates that the CI's prior debt was \$1,500, and that it had been reduced to \$1,200 based on the CI's \$300 payment.

10. Based, in part, on the above, law enforcement agents applied for an order authorizing the interception of wire communications over the 5362 Phone. In or about January 2019, the Honorable Larry J. Schwartz, Rockland Supreme and County Court, approved the order of interception. Judge Schwartz later renewed the order a number of times.

11. Based on my review of line sheets obtained pursuant to Judge Schwartz's orders and my conversations with other law enforcement agents, I know that JONATHAN DIOLOSA, the defendant (using the 5362 Phone), had the following communications with customer service representatives from

EZplay2001.com, who were located in Costa Rica and using a telephone number ending in 6555 (the "6555 Phone"):

a. On or about January 24, 2019, DIOLOSA called the 6555 Phone and stated, "Hello, customer service, Captain Bud 750." (Based on my review of line sheets and my participation in this investigation, I believe that "Captain Bud 750" is DIOLOSA's username for the website.) An unidentified female replied, "Yes sir how can I help you?" DIOLOSA stated, "you guys shut me off"; he arranged to send money to EZPlay2001.com; and he asked, "Can you turn my players back on until tomorrow?" The unidentified female responded, "That's fine, yes." Based on my training and experience and participation in this investigation, I believe that DIOLOSA owed money to EZPlay2001.com, and that his customers would not be permitted to wager with him on the website until he had paid off the debt.

b. On or about January 28, 2019, DIOLOSA called the 6555 Phone and asked for customer service. A male asked for "ID," and DIOLOSA replied "Captain Bud 750." A man identifying himself as "Alex" then came on the line and spoke with DIOLOSA. DIOLOSA told Alex: "I had like a bit of a problem sending you guys money I have to wait til tomorrow and they shut me off again . . . they can't shut my players off . . . can they turn me back on until tomorrow?" Alex replied, "Ok," and added, "do you know we accept FedEx, the money through FedEx as well?" DIOLOSA asked, "When you say FedEx What do they put, cash in there, money order, I don't understand what?" Alex responded, "Cash. . . . We don't get money order." DIOLOSA later stated that he was "gonna do the FedEx because that's ten times easier."

c. On or about January 29, 2019, DIOLOSA called the 6555 Phone and stated, "Customer service Captain Bud 750." Alex then came on the line and stated, "This is Alex." DIOLOSA stated, "Hey Alex how you doing. Umm, what city am I sending to, in Costa Rica." Alex replied, "San Jose."

d. On or about January 30, 2019, DIOLOSA called the 6555 Phone and identified himself as "Captain Bud 750." DIOLOSA stated, "I have a tracking number for you. . . . It should be there by Friday." An unidentified male asked, "How much is that?" DIOLOSA replied, "I just sent four hundred. . . . can you have them turn my agent login on cause I have to sign up a player tonight." The unidentified male responded, "Yes."

12. Based on my review of line sheets obtained pursuant to Judge Schwartz's orders and my conversations with other law enforcement agents, I know that the CI and JONATHAN DIOLOSA, the defendant (using the 5362 Phone), had the following communications, some of which involved DIOLOSA threatening the CI in an effort to collect the gambling debt:

a. On or about January 25, 2019, in a phone call between DIOLOSA and the CI, DIOLOSA stated, in part, "it's been 2 fucking months, you can't give a fucking 300 dollars a week," and "the debt was down to fucking 1,100 do the math it's up to fucking 1,800 it's at seven fucking weeks bro that's 2 fucking months."

b. On or about February 5, 2019, DIOLOSA texted the CI, "1900 is owed today juice is going up keep playing fucking games." After the CI texted that the CI did not have the money, DIOLOSA responded, "Not my problem figure it out this week or ur problem[s] are just going to escalate."

c. On or about February 13, 2019, DIOLOSA texted the CI, "2100 we good for Friday." The CI asked how DIOLOSA had arrived at that number, and DIOLOSA explained, "juice will still be 200 a week n increasing until paid in full So however much u pay [will] basically be like a bank account toward ur full amount n will go up a 100 every thousand that is owed until paid in full. So u got 4 more weeks with the juice now at 200 until it raises to 300 good luck."²

d. On or about February 21, 2019, DIOLOSA texted the CI, "amount owed is 2100 the interest number is 2300." On or about February 28, 2019, DIOLOSA texted the CI, "Amount owed is 23 interest number is at 25. The interest goes up when it gets to 3 k. To 300 not down at all until paid in full."

²Based on my review of line sheets and my participation in this investigation, I believe that JONATHAN DIOLOSA, the defendant, was explaining that when the amount owed was between \$1,000 and \$1,999, the interest was \$100 per week; that when the amount owed was between \$2,000 and \$2,999, the interest was \$200 per week; that when the amount owed was between \$3,000 and \$3,900, the interest was \$300 per week, etc . . . Based on my training and experience, I believe that this method of computing interest results in an annual interest rate exceeding 800 percent.

e. On or about March 2, 2019, DIOLOSA texted the CI, "Go get the fucking money . . . I'm done playing games." The CI responded that the CI was also frustrated with an individual who owed money to the CI and DIOLOSA ("Individual-1"), and DIOLOSA replied, via text, "I'm at my wits end. Don't know what to do other than come after u ur family him his family n every[one] else who has fucked me o[v]er. Figure this out tonight so I don't have to." DIOLOSA continued, "If I have to suffer everyone will suffer ten fold." The CI texted that the CI would try to get the money and stated, "Hopefully others trying also . . . cause I actually feel bad." DIOLOSA responded, via text, "I don't . . . think u do but u will." The CI texted DIOLOSA, "If I drop to u later where are u new city?" DIOLOSA replied, "New city all night."

f. On or about March 5, 2019, the CI and DIOLOSA arranged for the CI to make a payment. DIOLOSA directed the CI to leave the money under the doormat of DIOLOSA's front door in New City, New York. After DIOLOSA received the payment, he texted the CI, "So the amount owed was . . . 2500 n interest number was 27. Amount now owed is 2,000 and interest number is 27."

g. On or about March 11, 2019, DIOLOSA texted the CI, "Amount owed tomorrow is 2200 and interest number is 2900 meaning next week it starts to go up more. Please get this handled n come thru before Thursday."

h. On or about March 14, 2019, DIOLOSA texted the CI, "If I don't have a large amount in my hand without me having to travel before 5 there is going to be a big problem"

i. On or about March 15, 2019, DIOLOSA texted the CI, "Someone else fucked me for 5 k so now I absolutely need ur balance or I lose the rest of my business n everyone that has cause this will pay the price."

j. On or about March 16, 2019, DIOLOSA texted the CI, "Nothing else came in yet n meeting one kid tomrroow [sic] he doesn't know yet but I'm just straight punching him in the face when I see him. . . . [B]asically told me he is fucking me ober [sic]. But has to meet me in person cause I know where his mom lives."

k. On or about March 18, 2019, DIOLOSA texted the CI, "2000k owed n interest number is at 3200. I need soemthing [sic] ASAP. . . . Every week the interest now goes up 300. . . . When interest number gets to 4k it goes up to 400 a week."

l. On or about March 19, 2019, DIOLOSA texted the CI, "I need money ASAP to turn the site back on today. . . . Can u please get me soemthing [sic] ASAP my phone is buzzing off the hook n I need to pay my site. . . . If I don't get people paid today before u leave for next job expect ur debt to be ten tupled." The CI explained that the CI was trying to come up with the money, and DIOLOSA replied, "Well tonight is costing me a ton of money n I'm not going to be the only one paying the price sorry."

m. On or about March 20, 2019, the CI texted DIOLOSA that the CI might be able to get some money from the CI's sister. DIOLOSA responded, "That's great n how the fuck do turn my site back on just whenever u sister is good n ready during March madness. . . . Don't try get it done or get the paperwork for ur truck tormroow [sic] it needs to be sold ASAP n I know someone who can."

n. On or about March 21, 2019, DIOLOSA texted the CI and demanded that the CI sell the CI's car in order to pay back the money. The CI asked why they could not have Individual-1 sell his car instead. DIOLOSA texted, "Don't know [Individual-1] he doesn't return my calls or answer them . . . little does he know I'm gonna fuck him up if I ever meet him." DIOLOSA later texted, "I need my site turned on u understand what today is don't u. March fucking madness. N it's the first round where I always make money. After u send it we r going to have to figure out a number for compensation for being out of business yesterday n this am. . . . I'm going to ask [other guys] what [their] profits were on just the day for today n I will take the average whatever that number is will be added to ur debt now hurry the fuck up. . . . This is bad for everyone especially u."

o. On or about March 22, 2019, DIOLOSA texted the CI, "My business has been shut down for the first two days of March madness the debt is way more than 2 k pal. U got me involved in this shit. If ur not willing to sell ur car than u n I will . . . fight everytime we see each other I'm done. I'm not gonna be the one paying the most sacrifice . . . [I]f

this [isn't] figured out by the time I get to rockland today n leave the gym ur life will become a nightmare ten times worst that I swear. . . . U should have been home already figuring this out now instead of owing 2k u owe 6 k n will owe 7k on Sunday"

p. On or about April 2, 2019, DIOLOSA and the CI spoke on the phone. The CI explained how the CI was trying to come up with the money the CI owed. DIOLOSA replied, "Figure something out I don't care if you gotta fucking sell drugs, you got to rob your fucking job, you got to do something . . . , I don't really give a fuck what it is, sell one of your kids off I don't care figure it out."

q. On or about April 10, 2019, DIOLOSA texted the CI, "When is the next update I am getting" The CI responded that the CI had left a message with Individual-1, and texted, "I just ran to mahwah cause [my wife] isn't feeling well and due in a week."

r. On or about April 11, 2019, DIOLOSA and the CI exchanged text messages about their unsuccessful efforts to reach Individual-1. DIOLOSA then texted the CI, "What day is ur paycheck coming in Monday correct." The CI texted back, "But [Individual-1] will be payng by then . . . I am broke . . . I can call u when leave here tonight. Part of reason he had to be brought to reality is I have a baby due in 10 days."

s. On or about April 15, 2019, DIOLOSA and the CI exchanged text messages about their unsuccessful efforts to obtain money from Individual-1. The CI texted, "I will see if I can chip in more . . . not a joke to me at all . . . maybe it was to him [Individual-1] but not anymore also . . . He is terrified." DIOLOSA responded, "I don't care if he is terrified I don't think u understand how many people r waiting." DIOLOSA then demanded that the CI cash the CI's paycheck to pay off the debt, and texted, "Don't care about ur job or ur wife. There is more people at stake than just u n ur family." The CI responded, "Yeah John I'm gonna leave [my] pregnant [sic] wife and family over this moron [Individual-1] who says he owes the money I'm trying and will make sure u get it . . . I am willing to give u what I can. And have given all I can for him . . . he is the asshole not me." DIOLOSA responded, "No problem than I will kick down ur fucking door tonight n ur pregnant wife's hospital door after I call every hospital n find

out which one she is staying at." DIOLOSA also texted that if the CI could not come up with the money, "u have a major major problem." Later that night, the CI sent a message indicating that the CI had sent DIOLOSA \$250. DIOLOSA texted that he needed more money, and stated, "If u [guarantee] me it will be Venmoed at 9am I am going with my dad if u don't n I have to tell my dad to turn the car around to drive me to rockland to fuck u up u will surely regret it so I need to know this second"

t. On or about April 25, 2019, DIOLOSA and the CI exchanged text messages in which DIOLOSA demanded that the CI pay off the debt. DIOLOSA then texted, "I'm warning u now if at any point u stop responding tonight I don't care if it's 5 am we r going to have a problem u fucked me for the last time."

u. On or about April 28, 2019, DIOLOSA texted the CI, "Don't care if u have to rob someone or sell drugs. U have had in ur car n eat everyday n get to work n pay some of ur bills. Just get fucking money ASAP."

v. On or about May 2, 2019, DIOLOSA texted the CI, "What's the word. U did work in the last two weeks so don't lie n send me a picture of ur paycheck. Something isn't being sent today I'm in Rockland n I will ruin ur life today [if] something isn't taken care of . . . not later tonight."

WHEREFORE, deponent respectfully requests that JONATHAN DIOLOSA, the defendant, be imprisoned or bailed, as the case may be.

/s/ Karen Altieri signed with permission

SPECIAL AGENT KAREN ALTIERI
FEDERAL BUREAU OF INVESTIGATION
#22963

Sworn to before me this
29th day of July, 2020

Lisa Margaret Smith

THE HONORABLE LISA MARGARET SMITH
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK